

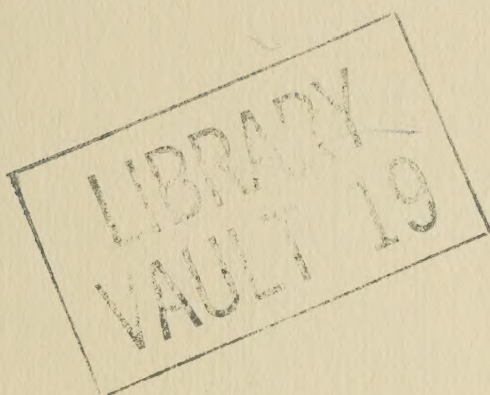
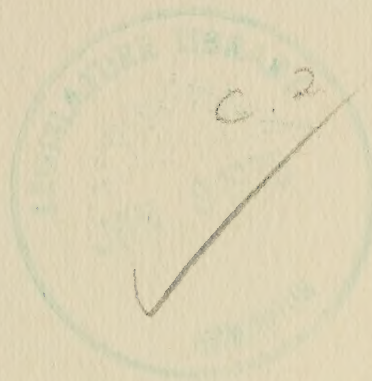
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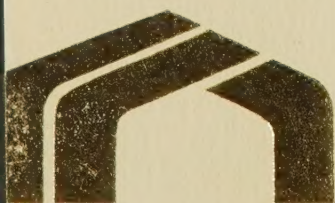
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1970 ANNUAL REPORT



ALBERTA HOUSING CORPORATION

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report of the chairman of the board



Upon proclamation of the Alberta Housing Act, 1970 the Alberta Housing Corporation was established as a Crown Corporation. As a member of the Executive Council charged with the administration of this Act, I have had the honour to act as the first Chairman of the Board of Directors.

The objective of the Corporation is to ensure adequate accommodation for all Albertans regardless of their income levels. In addition, the Corporation is attempting through all its means to lower the cost of housing. The following pages demonstrate encouraging progress toward the achievement of this objective.

The Board of Directors extends sincere appreciation to the employees of the Corporation for their assistance and dedication in achieving this objective. I also express my personal thanks to the other members of the Board, Mr. A. W. Morrison, Deputy Minister of Municipal Affairs and Mr. B. R. Orysiuk, Executive Director, for their contributions to the work of the Corporation during the past year.

A stylized, cursive signature in dark ink, likely of the Honourable F. C. Colborne.

Honourable F. C. Colborne
Minister of Municipal Affairs
and Chairman of the Board

board of directors



Honourable F. C. Colborne

Minister of Municipal Affairs
and Chairman of the Board



Mr. B. R. Orysiuk

Executive Director of the
Alberta Housing Corporation



Mr. A. W. Morrison

Deputy Minister of Municipal Affairs

public housing

A major dilemma facing many families throughout Canada today is a lack of adequate housing. They simply do not earn enough money to obtain comfortable or even adequate homes.

The Alberta Housing Corporation's Public Housing Program is intended to provide accommodation for such families and for individuals who cannot, because of their incomes, find a "decent" place to live.

The AHC rent-geared-to-income housing program saw the completion of 681 public housing units during 1970, bringing the total units to which Alberta Housing Corporation is contributing to 851 in twelve municipalities within the province.

The largest of these was a high-rise structure in downtown Calgary containing 214 units on sixteen floors to house 311 people in 174 bachelor, 40 one bedroom suites and 57 hostel units. Most of the people living in this structure are from the downtown urban renewal area.

Approval was given during 1970 for the construction of 1,159 public housing units. Some of these have already been completed and assigned to the Housing Authorities for tenant selection. The projects approved late in 1970 should be completed and handed over by mid-1971. The 1,159 units were of a wide variety in style and size and include 91 one bedroom, 317 two bedroom, 631 three bedroom, 110 four bedroom, and 10 five bedroom units. A total of 166 units

were under Section 35A and 993 were under Section 35D of the National Housing Act.

At present six municipalities have requested investigation into the need for public housing in their areas. These investigations are currently underway and those deemed necessary will go before the board for final approval early in 1971. It is estimated there will be approximately 1,500 units approved by the Alberta Housing Corporation for construction throughout the province in the coming year.

It should be stressed that public housing units, contrary to popular misconception, are far from static in design. Ranging from single family residences to high-rise apartments, they are designed to integrate with their surroundings. The Alberta Housing Corporation has encouraged variety in style and appearance while ensuring a high quality of construction by meeting rigid standards and specifications.

Rental charges, being geared to income, range from 14% of income for lower income people to a maximum of 25% for those earning more than \$588 per month. Because these rents are, in most cases, less than the economic rent, the difference is part of the operating deficit shared by the three levels of government — Federal, Provincial and Municipal.

The underlying objective of the Corporation is to see its Public Housing Program providing an interim step to future home ownership for many families.



senior citizen

One of our feature projects of the year was the commencement of construction on a senior citizen high-rise in Edmonton. This seventeen-storey structure, to be administered by the Greater Edmonton Foundation, will provide housing accommodation for 460 of our senior citizens in 272 bachelor and 68 one bedroom units as well as 46 single and three double lodge units. Featuring a roof deck, park, recreational and laundry areas, it will provide a comfortable, relaxed atmosphere for elderly residents for years to come.

Alberta Housing Corporation contributed a grant of one-third of the capital cost of a three-storey structure in Edmonton which is sponsored and administered by the Veterans' Association, a non-profit organization. This building will contain thirty bachelor and five double units and provide accommodation for forty senior citizens. One of the

features of this building will be its capability to accommodate people confined to wheel chairs.

Approval has been given and funds allocated for two projects in Calgary. These are to be administered by the Calgary Metropolitan Foundation with construction to start early in 1971. The largest, a sixteen-storey high-rise, will contain 300 bachelor and sixty one bedroom units and will house 420 senior citizens. This building will also feature sun deck, recreation, hobby and laundry areas. The smaller project is of lodge type accommodation and contains fifty units designed to house fifty-four people and also provides common meeting, dining and recreation areas.

A grant was provided for the Hythe Senior Citizen Home to allow the completion of a very comfortable, homey lodge which contains forty units and provides accommodation for forty-eight senior citizens.



northern housing

One of the most urgent needs in the housing field can be found in the remote northern communities where lower and middle income groups are virtually unable to obtain suitable housing. Conditions such as a lack of building funds, building materials and qualified tradesmen, complicated by transportation problems, result in housing costs far beyond the reach of the average resident.

The Corporation is currently conducting research into means and methods of assisting these people. Planning and costings are being carefully considered to determine a feasible method of prefabricating and transporting housing units to remote areas. Our aim is to provide forms of prefabricated units that the residents of these areas will be able to assemble

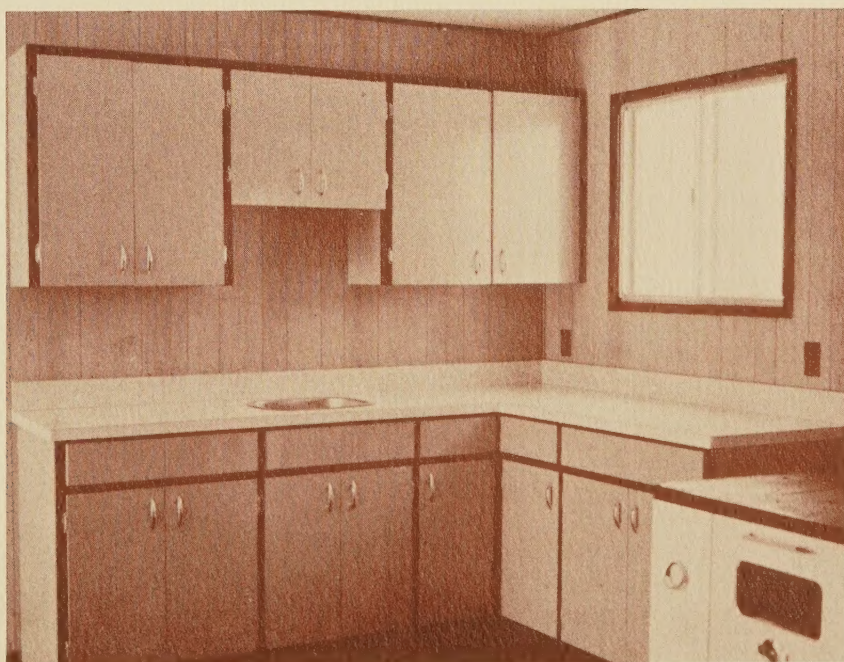
themselves, thus securing economical, comfortable housing at a standard somewhat closer to that enjoyed by residents in denser populated urban areas. By encouraging people to participate in the construction of their own homes, the Corporation hopes to induce a greater pride of ownership in addition to reduced construction costs.

Financial assistance is in the form of low interest rate loans with repayment terms based on the capability of the borrower to repay. These funds have been made available for the construction of or improvement to existing homes in designated areas and during the past nine months, 173 families have taken advantage of this assistance to improve their standards of housings.



*Units range from
630 - 936 square feet*

*Attractive kitchen
is well designed to
provide convenience.*



experimental housing

The federal government's \$200 Million Experimental Housing Program to provide housing for the lower and middle income groups has been met with great interest in Alberta.

Since a high percentage of families earn less than \$8,000 per year, the amount necessary to qualify for an NHA mortgage, this program is of particular interest and benefit to families wishing to own their own homes.

The Alberta Housing Corporation, through interest rate subsidies of up to 2% based on equal participation by the federal government, effectively reduces the CMHC mortgage interest rate to 5 $\frac{5}{8}$ % repayable over 40 years. This applies to units both for sale and for rent. To date, Alberta is the only province to make such a contribution under this program toward interest rate subsidies for lower income families.

The waiving of certain requirements or conditions of the Planning Act, subdivision regulations and building bylaws was a further step by this province to permit more flexibility in population densities, design and planning innovations.

Under the Experimental Housing Program, thirty-seven proposals for a total of 11,094 units were submitted for approval during 1970. The Corporation took part in the evaluation of these applications as a member of the tri-level governmental committee and about 70% were presented to the federal government for final approval.

By the end of 1970, 544 units in Calgary, 322 units in Edmonton, and 72 units in Lethbridge were approved. These housing units presently under construction range in size from 840 square feet to 1,064 square feet, contain two and three bedrooms. They will sell in the price range of 11,250 to 13,000. The units should be ready for occupancy in early 1971.



The Alberta Housing Corporation in its broad range of activities carries out an extensive property management program, providing assistance in a variety of situations. During the latter part of 1970, for instance, the Corporation purchased forty-four housing units in an endeavor to assist the Department of Social Development in locating housing accommodation for social assistance recipients.

The Corporation was also involved in the construction of thirty-seven staff housing units, in a wide variety of locations, which are rented to employees in various departments of the Provincial Government. A takeover of a further twenty-two units for the Grouard Vocational School was completed during 1970 to accommodate the teacher and maintenance staff.

With the addition of the above mentioned units, the Corporation now administers and maintains 827 housing units. These range from moveable units to apartment blocks and are located throughout the province.

Alberta is no exception to the steadily rising demand for residential land prevalent throughout Canada today. The Alberta Housing Corporation has received many requests from municipalities for assistance in land development. In each case need and demand studies are required to ascertain whether or not a project is warranted. To date, the Corporation has been involved in four land assembly projects, and several others are currently under review.

The year 1970 saw the completion of the Edmonton Land Assembly Project which encompasses 4,864 acres. The land, as required for subdivision, will be purchased by the City from AHC at cost plus holding charges. This venture was planned to assist the City in placing a damper on the spiralling land costs that have been symptomatic of Edmonton's consistently high demand for land. Over the years, prices have continued to increase to a point where only the upper income people can now afford to purchase single family residential land. This large assembly, when fully developed, will accommodate approximately 85,000 people and will require an anticipated fifteen years to complete.

Another major land assembly is underway in Slave Lake where 285 acres have been purchased. This project, being completely developed and administered by AHC, is programmed in three phases. It is expected that each phase will provide adequate residential development land for five years. Planning of the development allows for schools, recreation areas, single and multi-family residences. Now, in the advanced stages of planning, it is anticipated that the first lots will be available in the fall of 1971.

The Towns of Stony Plain and Spirit River are also being assisted with land development projects. Although smaller in scope than the preceding projects, they are equally as important to the economic stability of these communities and will provide residential land at reasonable costs to residents who desire to acquire their own accommodation.

student housing

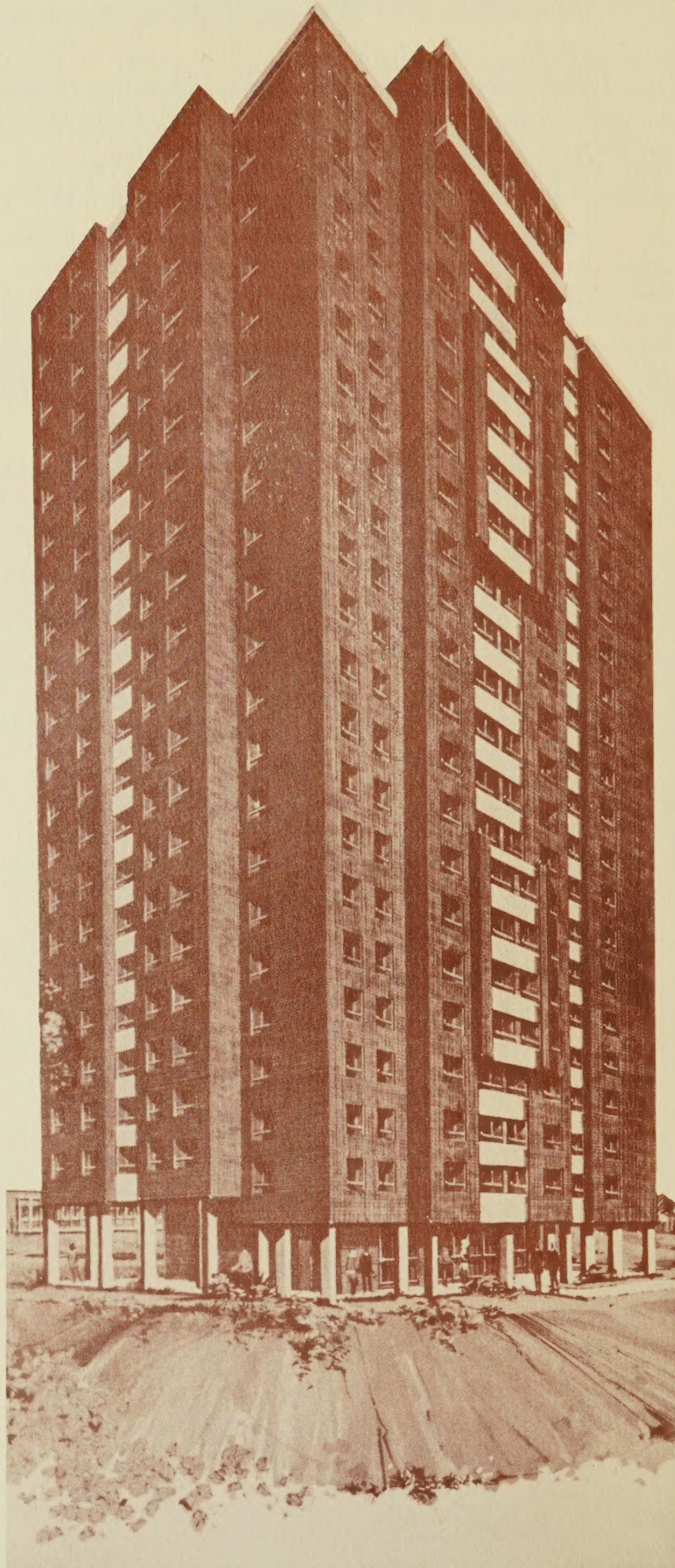
Providing reasonable housing for students has long been a problem in Canada. It is inevitable that student enrolment will increase in Alberta's educational institutions in the next few years. The Alberta Housing Corporation's role is to receive and review applications from universities, colleges and the Department of Education and in consultation with the Minister of Education establish the priority in which the funds will be allocated. These funds are made available for student housing under Section 36A of the National Housing Act.

In the provision of housing for colleges and technical schools, the Corporation extends its services further and through direct liaison with the students and administrators is endeavoring to assist in the provision of accommodation that reflects not only economy and practicality of design but also the sensitivity of today's youth.

The year 1970 saw the completion of a Town House design students' residence which was started in 1969 utilizing approved funds from both 1969 and 1970. The structure, located on campus at the University of Calgary, will house 250 married students in self-contained apartments.

Loans were also approved on two projects: one in Calgary and one in Lethbridge. The new Calgary project approved this year, to be occupied by students of the Southern Alberta Institute of Technology, will be a twenty-storey high-rise containing 250 units housing 500 students. The Corporation at this writing is finalizing working drawings with construction scheduled to commence early in 1971.

The University of Lethbridge complex is a rather unique type of structure in that the housing portion will be located on the lower four floors of a nine-storey building with the upper floors containing four floors of classrooms and one floor of cafeteria. There will be a total of 271 housing units providing accommodation for 391 students. Well under construction, the project is slated for completion by September 1971.



GOVERNMENT OF THE PROVINCE OF ALBERTA

OFFICE OF THE PROVINCIAL AUDITOR

EDMONTON, MAY 6, 1971

Board of Directors
Alberta Housing Corporation
EDMONTON, Alberta

I have examined the Balance Sheet of the Alberta Housing Corporation as at December 31, 1970, and the Statement of Revenue and Expenditure for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

Depreciation charges for the year on fixed assets were reflected in the Corporation's accounts. No depreciation has been recorded in prior years.

In my opinion these financial statements present fairly the financial position of the Corporation as at December 31, 1970, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied, except for the change in depreciation policy set out in the previous paragraph, with which I concur, on a basis consistent with that of the preceding year.



C. K. HUCKVALE, F.C.A.
Provincial Auditor.

balance sheet

AS AT DECEMBER 31, 1970

ASSETS

Current:

Deposit receipts, including accrued interest \$ 200,263.01

Accounts receivable:

Province of Alberta \$ 1,364,407.58
Municipalities 235,499.75
Other 53,146.07

1,653,053.40

Prepaid expenses 31,644.78

\$ 1,884,961.19

Deposit, Workmen's Compensation Board

10,000.00

Deferred charges:

Unamortized debenture discount 40,064.65

Investments in projects:

Housing loans receivable, including accrued interest (Note 2) \$ 1,200,782.58

Agreement receivable (Note 3) 201,437.50

Land assemblies, at cost (Note 4) 10,529,419.25

Urban renewal (Note 5) 1,512,856.39

Public Housing, at cost (Note 6) 1,293,762.93

Student Housing (Note 7) 3,006,229.57

17,744,488.22

Fixed:

Land, at cost or appraised value (Note 8) \$ 966,781.28

Buildings, at cost or appraised value (Note 8) \$ 6,120,134.84

Less: Accumulated depreciation 120,381.00

5,999,753.84

Mobile homes, trucks and equipment, at cost \$ 143,200.03

Less: Accumulated depreciation 9,214.83

133,985.20

Buildings under construction, at cost 565,739.86

Leasehold improvements, at cost \$ 16,896.22

Less: Accumulated amortization 975.58

15,920.64

7,682,180.82

\$27,361,694.88

The accompanying notes are part of these financial statements.

Statement A

Current:			
Bank overdraft		\$ 19,781.33	
Accounts payable		859,383.26	
Accrued interest		<u>43,458.47</u>	\$ 922,623.06
Deferred commission payable			
(Note 9)			225,605.92
Long term debt: (Note 10)			
Advances from Province of Alberta			
(Note 11)		\$13,083,504.73	
Advances from Central Mortgage			
and Housing Corporation			
(Note 12)		4,367,179.99	
Debenture debt:			
5¾% debentures, maturing			
November 1, 1998 (Note 7)	\$2,667,138.56		
6¼% debentures, maturing			
March 1, 1998 (Note 7)	<u>339,091.01</u>		
	\$3,006,229.57		
9 3/8% debentures, maturing			
September 15, 1984, repayable			
in Deutsche Marks			
(8,140,000) (Note 13)	<u>2,200,000.00</u>		
		5,206,229.57	
Mortgages payable (Note 14)		<u>1,589,274.34</u>	
			24,246,188.63
Contributed surplus (Note 15)			1,967,277.27

\$27,361,694.88

C. K. Linnell

F.C.A.
Provincial Auditor.

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Annual Report 1970

DATE

ISSUED TO

Statement B

Rentals 1,891.00

Interest earnings on:

Housing loans

Deposit receipts

Other

DATE DUE
DATE DE RETOUR

1,166.20

1,699.51

\$1,049,756.71

Salaries 661.59

Grants 38.94

Interest 401.81

Maintenance 437.02

Utilities 729.85

Rent 145,507.16

Taxes 32,181.64

Depreciation 97,953.80

Travelling, moving allowances &
expenses 15,422.76

Fees and commissions 49,549.42

Abandoned project costs 44,323.77

Printing, stationery, postage and
telegraph 23,317.32

Telephone and telegraph 16,160.74

Insurance 13,298.87

Employee benefits 8,023.17

Advertising 2,871.16

Amortization of debenture discount 2,861.76

Bad debt 2,648.89

Amortization of public housing projects 6,998.91

Amortization of leasehold improvements 975.58

Miscellaneous 1,103.00

2,606,467.26Excess of expenditure over revenue for the
year ended December 31, 1970

\$1,556,710.55

Contribution by the Province of Alberta for
the year ended December 31, 19701,556,710.55

**GOVERNMENT OF THE PROVINCE OF ALBERTA
ALBERTA HOUSING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1970**

- Note 1 The Alberta Housing Corporation was incorporated under provisions of The Alberta Housing Act, 1970, and replaces The Alberta Housing and Urban Renewal Corporation.
- Note 2 No provision has been made for possible losses arising from non-collection. Advances are either secured by mortgage agreements or supported by promissory notes adequacy of either of which may prove doubtful.
- Note 3 Receivable from City of Drumheller in twenty-five yearly instalments of \$8,057.50 each.
- Note 4 The Corporation purchases land for the development of housing projects or other related purposes by the Corporation or by sale to municipalities.
- Note 5 Recovery of contributions under urban renewal schemes is dependent on land sales and is undeterminable.
- Note 6 This amount represents the Corporation's portion of construction costs on public housing projects shared jointly with the Central Mortgage and Housing Corporation and various municipalities and will be amortized over a fifty year period from date of completion of each project. Net rental revenues from the projects are distributed to the participants in the ratio of their investments.
- Note 7 The proceeds of debenture issues were used to finance the construction of students' residence buildings at the Agricultural and Vocational Colleges at Fairview and Olds. Funds to meet semi-annual payments to retire the debenture debt will be provided by the Province of Alberta. Principal payments due during the year ending December 31, 1971, aggregate \$44,841.85.
- Note 8 The majority of properties transferred to the Corporation at a nominal value are reflected in the statements at values established during the year by independent appraisal. Transferred properties not appraised as at December 31, 1970, are not reflected in the statements. All other properties are recorded at cost.
- Note 9 Deferred commission payable represents the balances of agent's commissions owing in connection with a land assembly project. In accordance with the terms of an agreement with the agent the commission, is payable in five equal consecutive yearly payments commencing from the date of possession of each such property acquired. Payments due during the year ending December 31, 1971, aggregate \$61,022.36.
- Note 10 The repayment of principal and interest of any borrowings by the Corporation and the principal and interest of, and any premiums payable under, any notes, bonds, mortgages, debentures or other securities issued by the Corporation, are guaranteed by the Government of Alberta under provision of Section 13(1) of The Alberta Housing Act, 1970.
- Note 11 No provision for interest or repayment of the principal amount of these advances exists as at this date.
- Note 12 This represents advance payments by Central Mortgage and Housing Corporation for a land assembly project. The loan is repayable on a semi-annual basis from the date of completion of the project.
- Note 13 Proceeds of issue were used to finance the acquisition and construction of staff housing.
- Note 14 Mortgages are repayable in equal monthly installments of interest, principal and taxes. Total repayments during the year ending December 31, 1971, will aggregate \$182,000.00.
- Note 15 Contributed surplus is comprised of:

Appraised values (see Note 8) of properties received from:

Province of Alberta:

Land	\$ 225,439.00	
Buildings	<u>1,582,101.00</u>	\$1,807,540.00

Northland School Division:

Land	\$ 8,000.00	
Buildings	<u>185,260.00</u>	193,260.00
		<u>\$2,000,800.00</u>

Less:

Land titles registration fees	\$ 1,880.73	
Provision for depreciation of buildings	<u>31,642.00</u>	33,522.73

Balance as at December 31, 1970

\$1,967,277.27



Lake Louise